



State of Arizona
Department of Education

Tom Horne
Superintendent of
Public Instruction

FD 13-08

MEMORANDUM

TO: Food Distribution Program Participants
FROM: Tina Herzog, Food Distribution Program Director
Arizona Department of Education, Food Distribution Program
DATE: October 12, 2007
SUBJECT: UPDATE on Cheese Shortages – SY 2008

Original Signed

Good News about Mozzarella Cheese! On August 23, 2007, the USDA Kansas City Commodity Office (KCCO) announced two very significant awards for mozzarella purchases for September 1, 2007 through June 30, 2008 deliveries. These awards allowed USDA to fill up to 98 percent of the Schools mozzarella cheese orders and represent the culmination of a concerted effort by the KCCO and Food and Nutrition Service (FNS) to secure the Schools' mozzarella cheese demand for School Year 2008 in a very tight and cautious cheese market.

Success was due in large part to a new approach worked out by FNS and the KCCO where national commodity processors were encouraged to bid their own commercial cheese into their own plants in return for assurances that the government would not divert that cheese to competitors. As a result, SY 2008 mozzarella cheese orders procured from **Schwan's** and **ConAgra** from August 23, 2007 forward **cannot be diverted to different processors**. This is planned to be a deviation for SY 2008 mozzarella cheese orders only and does not represent a change in normal USDA procurement procedures. USDA will be adjusting the delivery periods to vendor capacities for the outstanding shipments soon.

As of now, it looks like Arizona will be getting all of the trucks requested for diversion (B042 & B077) and for shipment to US Foodservice for Planned Usage (B037). You may contact your brokers for the processors noted on your processing confirmation sheets in order to plan your products shipments for this year. Due to the delay in the shipment of B037, we missed August and September allocations of Planned Usage, therefore B037 will be offered on the surplus list if you are interested and in general allocations throughout the year when available, along with the scheduled Planned Usage allocations remaining. We will be keep you updated on any changes. If you have any questions, please contact Tina Herzog @ (602) 542-8781, Leona Benally @ (602) 364-1965, or Dawn Irvine @ (602) 364-0714. Your cooperation and understanding are appreciated.

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